

REPORT OF THE FACT-FINDER

In the Matter of the Fact-finding Between

TAMA COUNTY, IOWA

and

**UNITED ELECTRICAL, RADIO AND
MACHINE WORKERS OF AMERICA
AND ITS LOCAL 886**

Hearing: August 31, 2004
Report: September 8, 2004

Sharon K. Imes, Fact-finder

**Appointed through the Iowa Public
Employment Relations Board**

APPEARANCES:

Renee Von Bokern, Von Bokern Associates, Inc., appearing on behalf of Tama County and its Secondary Roads Department.

Gregg Cross, United Electrical, Radio and Machine Workers of America, appearing on behalf of Local 886.

BACKGROUND AND JURISDICTION:

Tama County and its Secondary Roads Department, hereinafter referred to as the County or the Employer, and UE Local No. 886, hereinafter referred to as the Union, are parties to an agreement effective July 1, 2002 through June 30, 2004. In negotiating the agreement to commence July 1, 2004, impasse was reached on two issues.

Pursuant to Section 20.21 of the Iowa Public Employment Relations Act (PERA), the undersigned was selected as fact finder to hear, report and make recommendations on the matters remaining in dispute. The hearing was convened on August 31, 2004. At that time, both parties present were given full opportunity to present oral and written evidence and to make relevant argument.

ISSUES IN DISPUTE:

The parties remain at impasse on the following issues –insurance and wages.

POSITIONS OF THE PARTIES:

The County seeks to modify the health insurance program requiring employees to pay \$85.00 per month toward the cost of insurance and by altering both the in-network and out-network benefits the employees currently receive. In-network, the County proposes to increase the deductibles and the employee out-of-pocket maximums and seeks to alter the first dollar coverage it has provided for hospitalization; mental and nervous in-patient treatment, emergency room treatment and ambulance service. Out-network, seeking to encourage its employees to use the PPO, the County proposes even larger deductibles and out-of-pocket maximums and greater employees contributions toward the cost of hospitalization, mental and nervous in-patient treatment, emergency room treatment, ambulance use and prescription purchases. In addition, the County seeks no increase in wages.

In support of its position, the County charges that its benefit structure is outdated when compared with other employers' benefit structures since it currently has a very low deductible and employees pay no cost for some services. Further, it argues it can only reduce the cost of health care if there is an incentive for its employees to use the provider with whom the County has negotiated rates rather than a provider who may charge more for the same service. And, finally, the County declares that the changes it is seeking are changes the other employees within the County have already agreed upon.

With respect to wages, the County identifies six counties as comparables and relies upon population size as its major criterion in making that determination. Further, four of the six counties are contiguous counties. Based upon these comparables, the County notes that in each of the counties one would consider comparable, the per capita personal income has improved during the past ten years while the per capital personal income in Tama County has slipped and argues this is cause to consider a no-wage increase. Further, it declares that the base rate in only one part of an employee's compensation package and asserts that when wage rates and wage rate increases are analyzed the analysis must include the employee's contribution toward health insurance premiums and the level of benefits employees receive. Based upon this argument, the County maintains that when this comparison is made, it becomes clear that employees in Tama County do well, despite the lower per capita income within the County, and that there is no need for an increase in wages that moves the County from its rank among the comparables.

The Union, however, seeks to maintain the status quo with respect to its insurance benefit and urges a one dollar and twenty cent per hour across-the-board wage increase. As support for its position, the Union states it worked hard to save the County money with respect to the health insurance program and proposed a plan to the County that would have maintained the current benefits and yet saved the County over one-half million dollars but that the County refused to even consider it. Further, it argues against the County's insurance proposal that it pay \$85.00 a month toward the insurance premium stating that no other employee in the County, including those in other bargaining units, pays for insurance.

The Union makes a similar argument with respect to the County's wage proposal. According to the Union all other employees in the County received a 5% wage increase and the County has only proposed a wage freeze for this unit.

DISCUSSION AND RECOMMENDATIONS:

The Public Employment Relations Act provides no specific guidelines to consider in making fact-finding recommendations. It does set forth, however, criteria to be considered in determining the reasonableness of the parties' offer under binding arbitration under Section 20.22. Therein, the law states the following factors should be considered relevant: past collective bargaining contracts between the parties including the bargaining that led up to such contracts; comparisons of wages, hours and conditions of employment of the involved employees with those of other public employees doing comparable work; any factor peculiar to the area and classifications involved; the interests and welfare of the public; the ability of the public employer to finance economic adjustments and the effect of those adjustments on the normal standard of services, and the power of the public employer to levy taxes and appropriate funds for the conduct of its operations. Since the parties may proceed to arbitration if this dispute is not resolved following receipt of this fact-finding report, it is appropriate that these same factors be considered in reaching a fact-finding recommendation.

After reviewing the evidence, the arguments of the parties, considering the criteria set forth in Section 20.22 and assigning weight, where possible, to that criteria, the following recommendations are made:

Article 10 - Insurance Recommendation: *It is recommended that benefit changes be made to coincide with Base Plan Option #1 as proposed by the County and that the County continue to pay 100% of the single and family premiums.*

The above recommendation is based upon the fact that the County's benefit proposal is in place for all other employees within the County, including its other bargaining units. In making this recommendation, it is recognized that there is a significant change in benefits that did not necessarily have to occur since the Union secured a quote from its Steelworkers/UE Health and Welfare Fund that would have resulted in a substantial savings to the County with a far smaller change in benefits. It is recommended, nonetheless, since the most important comparisons for establishing levels of benefits are the internal comparisons. In this respect, the benefit level the County has proposed is the level currently in effect for all County employees except this unit.

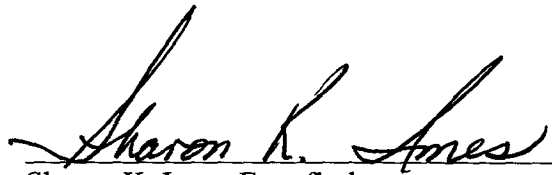
This same reasoning applies to the recommendation that the County continue to pay 100% of the single and family premiums. While this fact-finder would agree with the County that it is highly unusual for the County to pay 100% of the premiums given the increasing costs in providing health insurance, there is no evidence that any other employee within the County has been asked to share in the cost of the premium. Without such evidence it is unreasonable to propose that this unit be the only group of employees to share in the cost of the premium.

Wage Recommendation: *It is recommended that a 3% across-the-board wage increase be granted the employees in this bargaining unit retroactive to July 1, 2004 and that an additional 3% across-the-board wage increase be granted the employees in this bargaining unit on January 1, 2005.*

The County has offered no increase in wages and argues that the employees in this unit are well paid when the per capita personal income level of the County's population is considered. The Union, on the other hand, seeks a \$1.20 across-the-board increase in wages. This increase represents approximately an 8% increase.

This recommendation is based upon a number of findings. First, the record establishes that all other employees in the County received a 2.5% across-the-board increase in wages on July 1, 2004 and will receive an additional 2.5% across-the-board increase in wages on January 1, 2005. While there was no direct reference to a "buy-out" it appears this wage increase was awarded to both bargaining unit and non-bargaining unit employees in the County as a *quid pro quo* for the

change in insurance benefits that has occurred. Although this same amount could have been recommended for this bargaining unit, the slight increase is recommended based upon the fact that this bargaining unit make a substantial effort to address the County's problem with the rising cost of insurance and the County opted to ignore that effort. While this is the County's prerogative, it is hard to understand why the County would not be interested in further investigating the insurance proposal brought to it by the Union since the proposal had the potential to save the County nearly one-half million dollars without changing any of the benefits. Further, no wage comparison with employees performing similar work in similar counties was made since insufficient demographic information about the counties was provided and it appeared both relied primarily upon population and little or no economic data to establish similarities.


Sharon K. Imes, Fact-finder

September 8, 2004
SKI:

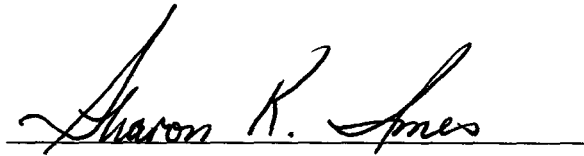
CERTIFICATE OF SERVICE

I certify that on the 9th^t day of September, 2004, I served the foregoing Report of Fact Finder upon each of the parties to this matter by mailing a copy to them at their respective addresses below:

Ms. Renee Von Bokern
Von Bokern & Associates
2771 104th Street, Suite H
Des Moines, Iowa 50322

Mr. Greg Cross
Business Agent
National Industrial Workers Union (UE)
2905 ½ Hubbell Avenue
Des Moines, Iowa 50317

I further certify that on the 9th^t day of September, 2004, I will submit this Report for filing by mailing it to the Iowa Public Employment Relations Board, 510 East 12th Street, Suite 1B, Des Moines, IA 50319

A handwritten signature in black ink, reading "Sharon K. Imes", is written over a horizontal line.

Sharon K. Imes, Fact Finder